

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## **This Week in Canadian Agriculture**

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**Report Highlights:**

Deadline for Comment on New Phytosanitary Requirements for Grains Postponed \* Government Moves to Strengthen Rail Freight Service \* Consultation on Low-Level Presence of Genetically Modified Crops in Imports \* New Regulations Come into Force for Regulating Food Additives \* Glencore's Viterra Takeover Gets Chinese Regulatory Nod \* Nova Scotia Allows Consumers to Bypass LCBO \* B.C. Government Announces Incentives for Small Breweries \* Industry Association Continues to Press on Dairy Regulations \* Introducing The Healthy Grains Institute \* Governments of Canada and Ontario Co-Host Agri-Processors/Producers' Summit

This Week in Canadian Agriculture is a review of Canadian agricultural industry developments of interest to the U.S. agricultural community. The issues summarized in this report cover a wide range of subject matter obtained from Canadian press reports, government press releases, and host country agricultural officials and representatives.

*Disclaimer:* Any press article summaries in this report are included to bring U.S. readership closer to the pulse of Canadian developments in agriculture. In no way do the views and opinions of these sources reflect USDA's, the U.S. Embassy's, or any other U.S. Government agency's point of view or official policy.

**Deadline for Comment on New Phytosanitary Requirements for Grains Postponed:** The Canadian Food Inspection Agency (CFIA) continues to seek and review comments to its draft directive, "D-12-05 Phytosanitary import requirements for grain of field crops including pulses, oilseeds, cereals (other than barley, oats, rye, triticale, and wheat), forages, and other special crops from the continental United States." The CFIA removed the previously communicated deadline for comments of February 15, 2013. No new deadline has been established. Parties may continue to file comments for consideration. During this time, CFIA stated it would continue to dialogue with industry and stakeholders. The draft plant health directives related to grain and oilseeds will be posted on CFIA's website in the coming weeks.

If you are interested to receive notifications from the CFIA on grains and oilseeds plant health directives, you may subscribe to the list serve by following the link below:

<http://inspection.gc.ca/english/util/listserv/listsube.shtml>

**Government Moves to Strengthen Rail Freight Service:** On December 11, 2012, the government announced the introduction of the Fair Rail Freight Service Act bill which will establish service agreements with railways. The bill will also create an arbitration process when commercial negotiations fail. An administrative monetary penalty of up to \$100,000 could be issued by the Canadian Transportation Agency for each violation of an arbitrated service level agreement. This is in addition to other existing remedies in the Act (e.g. Level of Service Complaint) to ensure railways meet their service obligations. Further details about the bill can be found at:

<http://www.tc.gc.ca/eng/mediaroom/releases-2012-h134e-6990.htm>

**Consultation on Low-Level Presence of Genetically Modified Crops in Imports:** On November 6, 2012, a Consultation on the Proposed Domestic Policy and Implementation Framework on the Management of Low-Level Presence of Genetically Modified Crops in Imports was released. The Government of Canada is seeking input on the Proposed Domestic Policy and Implementation Framework for the management of low-level presence (LLP) of genetically modified (GM) crops in imports. The consultation opened for comment starting November 6, 2012 and ends January 19, 2013. The objective of the Policy and Framework is to provide transparency and predictability for importers and to minimize trade disruptions while protecting the health and safety of people, animals and the environment.

More information is available at the following URL:

<http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1347469689149&lang=eng>

**New Regulations Come into Force for Regulating Food Additives:** On November 8, 2012, Health Canada updated Canada's regulations for approving food additives. Health Canada will implement a new system for the approval of food additives in Canada that reduces the steps for adding or removing an additive from the Lists of Permitted Food Additives. The 15 lists of permitted food additives are Health Canada's official repository of substances that are permitted for use as additives in or on foods marketed in Canada.

More information on the new regulations is available at the following URL: [http://www.hc-sc.gc.ca/ahc-asc/media/nr-cp/\\_2012/2012-167-eng.php](http://www.hc-sc.gc.ca/ahc-asc/media/nr-cp/_2012/2012-167-eng.php)

**Glencore's Viterra Takeover Gets Chinese Regulatory Nod:** Glencore International Plc. announced that on December 7, 2012 it received notice from the Ministry of Commerce of the People's Republic of China ("MOFCOM") that its acquisition of Viterra Inc. has been approved. This was the final outstanding regulatory approval of Glencore's acquisition of Viterra pursuant to a court approved plan of arrangement. On December 17, 2012, Glencore announced that it has completed the acquisition of Viterra and made key management appointments.

More information is available at the following URL: <http://www.glencore.com/releases.php>

**Nova Scotia Allows Consumers to Bypass LCBO:** Nova Scotia amended legislation to allow consumers to import certified locally grown and produced Canadian wine from other Canadian provinces for personal use. Nova Scotia joins B.C. and Manitoba as the only provinces to allow direct importation of wine made in other provinces since the federal prohibition on the individual importation of wine was lifted five months ago.

**B.C. Government Announces Incentives for Small Breweries:** The province of British Columbia's Minister of Energy, Mines and Natural Gas, Rich Coleman, confirmed that the province has instituted a new mark-up policy. The revised mark-up rate is intended to benefit BC breweries and encourage growth and development. Liquor mark-up rates are set by Liquor Distribution Branch policy as approved by the province. The policy is under revision following consultation with brewers in early 2012.

More information is available at the following URL: <http://www.newsroom.gov.bc.ca/2012/11/province-announces-incentives-for-bc-breweries.html>

**Industry Association Continues to Press on Dairy Regulations:** The Canadian Restaurant and Foodservices Association is once again asking for the industry to introduce a special class of cheese pricing for the restaurant industry. In a letter to the Canadian Dairy Commission, Association President and CEO Garth Whyte noted, "Lower priced cheese for restaurants will level an uneven playing field that forces fresh pizza makers to pay 30 percent more for mozzarella cheese than frozen pizza manufacturers."

The open letter can be read at the following URL:  
[http://www.crfa.ca/aboutcrfa/newsroom/2012/open\\_letter\\_restaurant\\_industry\\_calls\\_for\\_new\\_approach\\_to\\_dairy\\_pricing.asp](http://www.crfa.ca/aboutcrfa/newsroom/2012/open_letter_restaurant_industry_calls_for_new_approach_to_dairy_pricing.asp)

**Introducing The Healthy Grains Institute:** Maple Leaf Foods has spearheaded the creation of The Healthy Grains Institute which aims to tackle myths about wheat and gluten and advance the importance of grains and good health. The effort is in response to recent trends that have steered consumers away from grain products. The Healthy Grains Institute is guided by an independent and multidisciplinary Scientific Advisory Council consisting of recognized plant science and nutritional experts from across Canada. According to Lynda Kuhn, Senior Vice President of Communications at Maple Leaf foods, nearly half of the company's business consists of baked goods including its Frozen Bakery line.

The Institute's web site is located at: <http://healthygrains.ca/>.

**Governments of Canada and Ontario Co-Host Agri-Processors/Producers' Summit:** Leading processors and producers from a cross-section of Canada's agricultural sector met in November, 2012, to identify ways to better work together in the development of a more effective and efficient supply chain. The one-day Agri-Processors/Producers' Summit aims to increase the dialogue between processors, producers, and governments to strengthen Canada's food supply chain and help enhance the competitiveness of the sector.

The summit comes on the heels of the first meeting of the recently formed Agri-Innovators' Committee, the first national advisory body to provide advice to Minister Ritz on agricultural innovation.

More information is available at the following URL:  
[http://www.agr.gc.ca/cb/index\\_e.php?s1=n&s2=2012&page=n121130](http://www.agr.gc.ca/cb/index_e.php?s1=n&s2=2012&page=n121130)

**Exchange Rate:** Noon rate, December 19, 2012 (Bank of Canada): U.S. Dollar = C \$0.9868

#### **Most Recent Reports from FAS/Ottawa:**

<b>Report #</b>	<b>Name of Report</b>	<b>Date Submitted</b>
CA12045	This Week in Canadian Agriculture, Issue, Issue 21	11/26/2012
CA12044	This Week in Canadian Agriculture, Issue 20	11/13/2012
CA12046	The New Legislative Framework for Animal Traceability	12/03/2012
CA12042	Grain and Feed Annual	10/30/2012
CA12041	Fresh Deciduous Fruit Annual	11/02/2012
CA12040	This Week in Canadian Agriculture, Issue 19	10/18/2012
CA12039	Dairy Annual	10/15/2012
CA12037	Potatoes Annual	10/01/2012
CA12036	Livestock Annual	09/11/2012
CA12040	This Week in Canadian Agriculture, Issue 18	8/17/2012
CA12034	Poultry and Products Annual	08/16/2012
CA12033	This Week in Canadian Agriculture, Issue 17	08/14/2012
CA12032	This Week in Canadian Agriculture, Issue 16	08/03/2012
CA12031	Grain and Feed July Quarterly	07/27/2012
CA12030	FAIRS Country Report	07/27/2012
CA12029	Biotechnology Annual	07/20/2012
CA12028	This Week in Canadian Agriculture, Issue 15	07/20/2012

CA12027	Biofuels Annual 2012 – revised	07/20/2012
CA12025	This Week in Canadian Agriculture, Issue 14	07/06/2012
CA12015	Oilseed and Products Annual - Canada	04/10/2012
CA12014	Grain and Feed Annual - Canada	04/03/2012